

Message Text

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ACTION ARA-17

INFO OCT-01 ADP-00 CIAE-00 COME-00 EB-11 INR-10 LAB-06

NSAE-00 RSC-01 SIL-01 OMB-01 DODE-00 PA-03 USIA-12

PRS-01 AID-20 TRSE-00 SS-15 NSC-10 RSR-01 /110 W
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R 182207 Z JUN 73

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC 214

INFO USCINCSO

C O N F I D E N T I A L LA PAZ 3694

E. O. 11652: GDS

TAGS: ELAB BL

SUBJ: BANK WORKERS SETTLE: LONG- TERM EFFECTS UNCERTAIN

REF: LA PAZ 3460

1. BANK WORKERS' KONFEDERATION OFFICIALS AGREED JUNE 15 TO ACCEPT GOB TERMS GRANTING PATRIOTIC BONUS EQUIVALENT TO ONE MONTH' S PAY AND POSTPONING REINITIATION OF WAGE NEGOTIATIONS UNTIL JANUARY 2, 1974, THEREBY PRECLUDING IMMEDIATE THREAT OF GOB- LABOR CONFRONTATION.

2. COMMENT: MINLABOR FORTUN' S HARD- LINE POSITION, WHICH INCLUDED TREATS OF ARREST, FIRINGS AND USE OF REPLACEMENT WORKERS, APPARENTLY CONVINCED BANK WORKERS THAT THIS WAS NOT APPROPRIATE TIME TO CONFRONT GOB. FORTUN MAINTAINED GOB POSITION THAT NO ADDITIONAL SALARY INCREASES WOULD BE AUTHORIZED UNTIL AFTER TERMINATION OCTOBER 27 WAGE FREEZE, THUS SETTLEMENT MUST BE CONSIDERED SHORT- TERM VICTORY FOR GOB AND WILL OBVIOUSLY SET PRECEDENT FOR OTHER LABOR SECTORS. HOWEVER, LONG- TERM EFFECTS OF FORTUN' S NEGOTIATIONS MAY NOT BE FAVORABLE TO GOB INsofar AS GOB LABOR RELATIONS ARE CONCERNED. TRADITIONAL ROLE OF MINLABOR IS NEGOTIATOR
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BETWEEN LABOR AND GOB, AND POSITION HAS NORMALLY BEEN FILLED WITH PERSON CAPABLE OF LEAVING LABOR WITH FEELING THAT THEY HAD FRIEND IN COURT. FORTUN IS NOT LOOKED ON IN THAT LIGHT. ACROSS- THE- BOARD AABOR CONTACTS AND MANY MINLABOR OFFICIALS HAVE COMMENTED TO LABATT THAT FORTUN " LACKS SENSITIVITY FOR REALITIES OF LABOR SITUATION, IS LACKING IN

INTELLIGENCE, AND IS UNSUITED FOR HIS JOB." RADIO FIDES WEEKLY NEWS ANALYSIS ALSO EXPRESSES SAME VIEWPOINT, NOTING THAT ALL LABOR SECTORS " MISS EX- MINLABOR HUMBOLDT' S NEGOTIATING ABILITY."

3. FORTUN' S HARD- LINE APPROACH TOWARD LABOR IS EVIDENT ACROSS- THE- BOARD IN ALL MATTERS AFFECTING ORGANIZED LABOR. IN JUNE 11 PRESS CONFERENCE, REPLYING TO QUESTIONS CONCERNING ORGANIZED LABOR' S REQUEST THAT THE BOLIVIAN LABOR CENTRAL KQOBL # BE PERMITTED TO REOPEN, FORTUN STATED THAT IT WOULD NOT BE AUTHORIZED TO REOPEN, " UNDER ANY CIRCUMSTANCE". THIS FOLLOWED PETITIONS BY SEVERAL NATIONAL LABOR ORGANIZATIONS, SOME OF WHICH NOTED THAT PRESIDENT BANZER' S RECENTLY EXPOUNDED SOCIAL POLICY PERMITTED FREE EXERCISE OF TRADE UNION RIGHTS. THE IMPORTANT HUANUNI MINE WORKERS' UNION HELD A WORK STOPPAGE JUNE 15 TO PROTEST MINISTER' S ATTITUDE TOWARD COB, AND FORTUN IMMEDIATELY DECLARED STOPPAGE " ILLEGAL" AND SENT COMMISSION TO FORCE WORKERS TO REPORT TO WORK.

4. GOB' S EFFORTS DURING PAST TWO YEARS TO GAIN CONFIDENCE AND SUPPORT OF ORGANIZED LABOR OBVIOUSLY BEING SERIOUSLY AND ADVERSELY AFFECTED BY FORTUN' S APPROACH TO GOVERNMENT- LABOR RELATIONS. WHILE NEVER A SUPPORTER OF THE GOB, LABOR HAS BEEN BASICALLY NEUTRAL DURING THE PAST TWO YEARS, BUT RECENT DEVELOPMENTS INDICATE THAT THAT NEUTRALITY WILL CHANGE TO OPPOSITION UNLESS EFFORTS ARE MADE TO COUNTERACT THE NEGATIVENESS OF FORTUN' S APPROACH. SIRACUSA

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*** Current Handling Restrictions *** n/a

*** Current Classification *** CONFIDENTIAL

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 18 JUN 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973LAPAZ03694
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GDS
Errors: n/a
Film Number: n/a
From: LA PAZ
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730622/aaaajfbc.tel
Line Count: 103
Locator: TEXT ON-LINE
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 73 LA PAZ 3460
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 15 JAN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <15-Jan-2002 by martinjw>; APPROVED <05-Feb-2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> jms 980212
Subject: BANK WORKERS SETTLE: LONG- TERM EFFECTS UNCERTAIN
TAGS: ELAB, BL
To: ARA
SECSTATE WASHDC
USCINCSO
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005